[redacted] 25X1

28 January 1969

MEMORANDUM FOR THE RECORD

Morning Meeting of 28 January 1969

DD/I reported that a task force composed of sixteen officers and chaired by Willard Matthias has been constituted to respond to NSSM No. 9, "Review of the International Situation." The genesis of this exhaustive requirement was the President's reaction to the twenty-eight questions on Vietnam and his view that similar attention should be given on a world-wide basis.

DD/I reported that [redacted] are now in agreement on Vietnam enemy strength figures and that General Carroll has forwarded the results to MACV for comment. The deadline for submitting the final view to Mr. Kissinger is 10 February, and the DD/I alerted the Director to the possibility that General Carroll might call him today to ask that action be deferred until MACV's views are known. 25X1

[redacted] 25X1

Godfrey called attention to the 27 January OCI publication The Situation in Vietnam and underlined the unusual aspects of the current disposition of the 304th NVA Division. He noted that it had moved south from the Thanh Hoa area and has remained in the Dong Hoi area longer than anticipated, since such troop movements are usually followed by immediate combat deployment.

DD/S called attention to this morning's Wall Street Journal article by Herbert Meyer on CIA's campus recruiting. He noted that he has asked the Office of Personnel to undertake a thorough review of our current policy and to make recommendations with respect to what new procedures or posture, if any, should be adopted.



[redacted] 25X1

*DD/S reported that the return of power following this weekend's failure caused a surge, overloading some circuits. The Director inquired what facilities were not automatically reactivated with the return of power. He noted difficulties encountered in the OCI Watch Office on Saturday and asked the DD/S to undertake a detailed examination of this experience so that remedial action can be taken to prevent any breakdown of operations in more serious emergencies resulting from power failure.

Carver reported Bill Bundy's request that the thrice-weekly OCI informal analysis of the Paris negotiations be provided to Secretaries Rogers and Richardson. Bundy has shown copies of the report to the two Secretaries, each of whom found it extremely informative.

Carver noted that he has completed tasking various elements of the Agency with the twenty-eight questions on the Vietnam memorandum and noted that twenty-two of the twenty-eight have been relayed to COS, Saigon.

Maury mentioned that Senator Russell is extremely edgy about requests for Reserve releases. He related that future requests should be accompanied by fulsome background data.

Maury reported that the 4 February Congressional breakfast will be poorly attended by Republican congressmen because of a scheduling conflict with an invitation to Republican freshmen from USIA Director Shakespeare. The Director raised the possibility of rescheduling the breakfast for 5 February, but it was determined that this would be inadvisable because it would involve the rescheduling of many congressmen who have already accepted the 4 February date.

Maury called attention to Senator Stephen Young's call for an investigation of the Pueblo affair and his charge that CIA is contaminating the Navy in undertaking such operations. The Director asked whether there is some member of the Senator's staff who could set the record straight or otherwise keep the Senator properly informed. Maury related the abortive past efforts and offered little hope for the future.

Bross related that he has been in touch with Chet Cooper but was unable to clarify the source of the basic study alluded to in Sunday's Washington Post. The Director noted that he was equally unsuccessful in direct contact with the Post. Bross called attention to the Kraft

article in today's Washington Post, which credits a BOB staff member with having written the critical report on DOD weapons R&D and procurement.

Executive Director reported receipt of a memorandum from the President calling for a detailed examination of our Fiscal Year 1970 budget. He noted that the FPBC will meet this afternoon and emphasized that, as an internal exercise only, the participants will consider the consequences of reducing the Fiscal Year 1970 program in an amount equal to the projected needs of RFE/RL. Executive Director noted that FPBC will seek to provide the Director with as many options as possible. The Director concurred in this approach.

DDCI noted that USIB will meet on the Panama and Korea Estimates this week and that he has sent his reservations on the latter to the DD/I. He expressed the hope that the matter can be resolved internally prior to the meeting.

The Director requested that the NPT briefing paper for the NSC be in his hands by noon tomorrow.

25X1

[redacted]

The Director observed that indications are that PFIAB will continue and expressed the hope that future Boards will concern themselves mostly with providing positive suggestions on how to improve intelligence.

Goodwin called attention to an item in today's New York Times reporting that the Board of Directors of Ramparts magazine will meet tomorrow to consider their financial difficulties.

[redacted]

25X1

L. K. White

*Extracted and sent to action officer



[redacted]

THE NEW YORK TIMES,

# FINANCIAL WOES BESET RAMPARTS

## Magazine's Board to Meet Tuesday on the Problem

Special to The New York Times

SAN FRANCISCO, Jan. 27—Aamparts, the radical magazine has been set for tomorrow night to discuss the problems pressing in on the publication.

Frederick C. Mitchell, the magazine's publisher, disclosed last week that the meeting was scheduled when he answered questions about rumors that the magazine faced another serious financial crisis. It will be the first directors' meeting in about a year.

"The question has been raised about how we're going to make it over the next several months," said Mr. Mitchell. "We have been able to develop plans. There also has been discussion of reorganization."

"We'll get together and have our internal psycho-drama," Mr. Mitchell said with a chuckle. "We'll say a lot of things to each other and it all may produce some solutions."

Warren Hinckle 3d, president and editorial director and mainstay of the magazine, was away from his office. He was reported to be in New York.

### No Internal Trouble

Mr. Mitchell emphasized that the magazine's staff had no serious internal conflicts. Two years ago internal troubles led to the removal of Edward M. Keating as president and publisher. Mr. Keating founded the magazine and financed its growth with more than $500,000 from his own funds.

No recent circulation figures could be obtained, but there are reports that sales have fallen. Mr. Mitchell said he would not comment.

"There is no talk of closing," he said. "What I assume we'll do Tuesday is talk of new ideas people have, such as a new format, or new subscribers. We'll get a lot of things off ourr chests."

Mr. Hinckle has said his aim is the production of a magazine that specializes in "intellectual muckraking." Possibly the magazine's greatest coup was the exposure of a subsidy system for the National Student Association from the Central Intelligence Agency.

About two years ago a source close to the magazine estimated that close to $1.5-million had been poured into it by various sponsors. Then, as now, Ramparts had large

WALL STREET JOURNAL

28 JAN 1969

# *CIA's Low Repute On Campuses Hinders Its Hiring of Scholars*

* * *

## Academic-Type Studies Account For Much of Agency's Work; Rules on Publishing Relaxed

By HERBERT E. MEYER
*Staff Reporter of* THE WALL STREET JOURNAL

WASHINGTON — "What the hell do they want—a stupid CIA?"

The outburst from an official of the Central Intelligence Agency expresses a growing Washington worry—that continuing opposition on American college campuses will impair the CIA's ability to provide the President with first-rate analyses of global developments.

It's widely known, of course, that reports of the CIA's clandestine financial aid to young people for travel behind the Iron Curtain, along with general anti-Government sentiment aroused by the Vietnam war, have made the agency extremely unpopular among college students. A CIA employe can expect rough treatment should his presence become known when he visits a campus to study or to brainstorm with faculty members. Less publicized but just as upsetting to some CIA officials is the increasing difficulty of recruiting high-quality thinkers from those faculties to serve stints with the agency.

That's what's behind the CIA policy reversal that now allows its agents to write books and magazine articles in which the authors' CIA affiliation is clearly spelled out. Let their prodigious academic prowess be displayed, the reasoning goes, and the agency's tarnished image among American scholars will be brightened.

CIA men deplore the unreal picture created by TV and paperback tales of espionage and derring-do. Though the real CIA has its moments of 007-style operations, they say, the bulk of its work would bore a James Bond type—yet is vital to the country.

**Watching the World**

Is the Soviet economy stagnating or booming, and will the trend continue? Are the nations of Southeast Asia apt to move closer to a China orbit or farther away? In what East European country is a liberal policy most likely to develop? The CIA is supposed to know what's going on in every country and what's likely to happen next.

You can't simply send in a spy and expect him to bring back the answers, the agency says. (In fact, "It's a safe bet that the Russians have their own people trying to figure out what happens next in Eastern Europe," one official remarks.) Instead, specialists comb through mountains of published material and transcribed broadcasts for scraps of information that might be pieced into an illuminating picture.

The work these scholars do at the CIA is not unlike the work they would do on a university faculty, except that their findings are passed along to the White House and State Department rather than to students and colleagues. Just as a businessman may go on leave from his company to work a few years for the Defense or State Department, so may a scholar take leave from his classroom to work for the CIA.

But the agency's bloody reputation for spying and revolution is deterring academic experts from taking the plunge. According to some university instructors (who prefer not to be identified), their administrators have passed the word that requests for time off to work for the CIA will be frowned upon. Says an instructor in Latin American affairs on a Midwestern faculty: "They've let us know we wouldn't be leaving with their blessings."

**Under Suspicion**

Going back to the campus after a CIA stint can be a problem, too. The feeling persists that there's no such thing as a former intelligence officer—that once a spook, always a spook. Thus, ex-CIA men are saddled with the suspicion that they're not entirely independent and that they may still have secret links with their former employer.

The agency's effort to erase these stigmata by permitting staff members to be openly identified when they write is already under way. One of the agency's China scholars, Charles Neuhauser, will soon publish, through Harvard University, a paper based on work he did while on a CIA study assignment at Harvard's East Asian Research Center. CIA Soviet experts William Hyland and Richard Wallace Shryock wrote the book The Fall of Khrushchev.

The agency says that these publications are in no way "official" CIA documents; they are independent work by employes and don't necessarily reflect the CIA's conclusions, just as publications by private scholars don't always jibe with university policy. The Khrushchev authors stress that they limited their source material to Russian newspapers and other journals—public information available to any private scholar with the time and talent to analyze it.

Universities are ideal sources of such talent, so the CIA tries to maintain close ties with the academic community. But it isn't easy. Says one bitter CIA official: "They kick us off campuses and tell us we're sick. But people afraid to work for their Government because they think it may hurt their careers—that's sick."

THE WASHINGTON POST
26 JAN 1969



# Weapons Systems: A Story of Failure

By Bernard D. Nossiter
Washington Post Staff Writer

The complex electronic gadgetry at the heart of new warplanes and missiles generally works only a fraction of the time that its builders had promised.

The performance of the multi-billion-dollar weapons systems started in the 1950s was bad; those of the 1960s are worse.

The Pentagon appears to be giving the highest profits to the poorer performers in the aerospace industry.

These are the conclusions of an abstruse 41-page paper now circulating in Government and academic circles. The document, a copy of which has been made available to The Washington Post, is believed to be the first systematic effort to measure how well or ill the Pentagon's expensive weapons perform.

Its author is a key Government official with access to secret data and responsibility for examining the costs of the Pentagon's complex ventures. He and his agency cannot be identified here.

His paper, entitled "Improving the Acquisition Process for High Risk Military Electronics Systems," aims at bringing down the costs and bettering the dismal performance of weapons. It does not discuss a question that might occur to others: if these weapons behave so badly, why is the money being spent at all?

For security reasons, many of the planes and missiles examined are not identified by name.

The paper first examined 13 major aircraft and missile programs, all with "sophisticated" electronic systems, built for the Air Force and the Navy beginning in 1955, at a cost of $40 billion.

Of the 13, only four, costing $5 billion, could be relied upon to perform at more than 75 per cent of their specifications. Five others, costing $13 billion, were rated as "poor" performers, breaking down 25 per cent more often than promised or worse. Two more systems, costing $10 billion, were dropped within three years because of "low reliability." The last two, the B-70 bomber and the Skybolt missile, worked so badly they were canceled outright after an outlay of $2 billion.

**Loses Further Luster**

The paper sums up: "Less than 40 per cent of the effort produced systems with acceptable electronic performance—an uninspiring record that loses further luster when cost overruns and schedule delays are also evaluated."

The paper measures "reliability" in this context: The electronic core of a modern plane or missile consists essentially of three devices. One is a computer that is supposed to improve the navigation and automatically control the fire of the vehicle's weapons and explosives. Another is a radar that spots enemy planes and targets. The third is a gyroscope that keeps the plane or missile on a steady course.

When the Pentagon buys a new gadget, its contract with the aerospace company calls for a specified "mean time between failure of the electronic system." In lay language, this is the average number of continuous hours that the systems will work

In a hypothetical contract for a new jet bomber, Universal Avionics will sell the Air Force on its new device by promising that the three crucial electronic elements will operate continuously for at least 50 hours without a breakdown. In the reliability measures used in the paper described here, the plane is said to meet 100 per cent of the performance standards, if, in fact, its gadgetry did run 50 consecutive hours. However, if a key element breaks down every twelve and a half hours, it gets a rating of 25 per cent; every 25 hours, 50 per cent and so on. Should a system operate with a breakdown interval of 62.5 hours—a phenomenon that happens rarely—its reliability is rated at 125 per cent.

**Test for the Pilot**

Quite obviously, the more frequent the breakdown, the more the pilot of a plane has to rely on his wit and imagination to navigate, find targets and fly a steady course. Over-frequent breakdowns in a missile can render it worthless as an instrument of destruction.

Curiously enough, as the paper demonstrates, the Pentagon and the aerospace industry apparently learned little: the systems of the 1960s are even worse.

The document first looks at the performance record of the electronic systems in 12 important programs begun in the 1950s. As the accompanying chart shows, all but four missiles can be identified by name without breaching security.

Of the 12, only five perform up to standard or better; one breaks down 25 per cent more frequently than promised; four fail twice as often and two break down four times as frequently as the specifications allow.

The document discusses some of the good and bad performers in this group. It observes that the F-102, the Delta wing interceptor for the Air Defense Command, was bedevilled by an unsatisfactory fire control system. Its first had to be replaced; the next was also unsatisfactory, and an extensive, two-year program to modify the device was then undertaken.

**Sidewinder Did Well**

In contrast, the Sidewinder, a heat sensing missile, performed very well. The study attributes this to the fact that the missile was developed in a leisurely fashion, without a "crash" schedule, and that several contractors were brought in to compete for components.

The paper next examines eleven principal systems of the 1960s. These cannot be identified beyond a letter designation.

Thus, in the chart, A1 is the first version of a plane or missile; A2 is the second version, possibly one for a sister service; A3 is the third version and so on. B1 is the first version of an entirely different system; so are C1, D1 and E1.

To make the best possible case for the Pentagon and its contractors, this survey does not include two systems costing $2 billion that performed so badly they were killed off. The eleven systems of the 1960s evaluated here account for more than half of those begun in the most recent decade and their electronic hearts cost well in excess of $100 million each.

Of the eleven systems, only two perform to standard. One breaks down 25 per cent more rapidly than promised; two break down twice as fast and six, four times as fast.

As a group, the eleven average a breakdown more than twice as fast as the specifications demand. Oddly enough, the first version of the system designated as "A" met the standard. But the same unidentified contractor produced three succeeding versions that fail on the average more than three times as often as they should. All these successors, the paper observes, were ordered on a "pressure cooker" basis, on crash schedules.

**Highest Rewards**

The paper also examines the relationship between contractors' profits and performance, and suggests that, contrary to what might be expected, some of the most inefficient firms doing business with the Pentagon earn the highest rewards.

The second chart looks at profits, after-tax returns as a percentage of investment, the only valid basis for determining profitability, for the ten years from 1957 through 1966. During the decade, the aerospace firms managed to earn consistently more than American industry as a whole, piling up nine dollars (or billions of dollars) in profits for every eight garnered by companies not doing business with the Pentagon.

Even more peculiar is the brilliant earnings record of two of the biggest contractors, North American and General Dynamics. Both, except for a brief period when General Dynamics tried its hand at some civilian business, made profits far above the industrial average and generally in excess of their colleagues in aerospace.

During the ten years, North American did all but two per cent of its business with the Government. The study reports that it produced one highly successful plane in the 1950s, another system that met performance

Continued

specifications, one that [illegible] and four that broke down four [illegible] as frequently as promised. Nevertheless, the company's profits were 40 per cent above those of the aerospace industry and 50 per cent above the average for all industries.

**None Measures Up**

General Dynamics had, as the chart shows, a much more uneven profits record. But its years of disaster and even losses were those when it ventured into the economically colder climate of the civilian world to produce a commercial jet airliner. Having learned its lesson, it retreated to the warmer regions of defense procurement and, in recent years, has netted more than the industry average. It has compiled this happy earnings score, the study observes, despite the fact that none of the seven weapons systems it built for the Pentagon "measured up to expectations." Its most notorious failure is the F-111 swing-wing fighter-bomber.

As a final touch, the study notes that complex electronic systems typically cost 200 to 300 per cent more than the Pentagon expects and generally are turned out two years later than promised. But both of these phenomena have been examined so frequently by specialists in the field that the paper does not dwell on them.

**How Much Protection?**

These findings raise some serious questions. Perhaps the most important is how much protection the United States is getting for the tens of billions of dollars invested in expensive weaponry. Another is whether the whole process should be turned off and improvements made in the existing devices. Secretaries of Defense have repeatedly assured the Nation that present weaponry guarantees the destruction of any Nation that attacks the United States.

The document under study here, however, takes a different line, one aimed at getting less costly weapons that measure up to the promised performance.

It blames the dismal record on several factors. One is the relentless search for newer and more complicated electronic "systems." The aerospace contractor has an obvious vested interest in promoting "breakthrough" gadgetry. This is the way he gets new, and clearly profitable business.

**Close Correlation Shown**

But the study asks, do the services need it? Since the Air Force and the Navy almost always accept a plane or a missile that performs at a fraction of its promised standard, it would appear from an exclusively military standpoint that a device of a much lower order of performance fits the Nation's defense needs.

The document also shows a close correlation between "crash" programs and poor performance. Thus, it proposes more realistic schedules. If a weapon is wanted in short order, five years or less, the study recommends that its electronic gadgetry be limited to familiar items.

[illegible] wards something that makes a "technical breakthrough," it should allow a minimum development period of five to seven years, it is pointed out.

Another factor in poor performance, the study says, is the absence of competition for new systems after the initial designs are accepted. Typically, the Pentagon requires five or so aerospace firms to bid on its original proposal. But typically, it selects one winner on the basis of blueprint papers. The study says that the military could save more money and get a better product if it financed two competitors to build prototypes after the design stage. Such a technique was followed, it recalls, with the F-4, a supersonic Navy interceptor. Even though the F-4 employed both a new radar and a new computer, it performed up to the promised standard.

At first glance, such a technique might seem like throwing good money after dubious dollars. But the study contends that if two aerospace competitors are forced to build and fly prototypes before they win the big prize — the contract to produce a series of planes or missiles — they will be under a genuine incentive to be efficient, hold costs down and make things that work.